

GENERAL INSTRUCTIONS  
ANNUAL REPORT OF TRUST ASSETS - FFIEC 001

**Purpose of Report.** The purpose of the Annual Report of Trust Assets is to provide the federal supervisory agencies with details concerning the scope and amount of trust activities of the financial institutions under their respective jurisdictions.

This report covers only activities of trust offices located within the United States; it does not include foreign office locations. Fiduciary accounts which originate at a foreign location of the reporting institution (or at a foreign affiliate) which are managed or administered, in whole or in part, by a domestic trust institution are reported on the FFIEC Report of International Fiduciary Activities (FFIEC 006), not on this report.

Details concerning collective investment funds which may be operated within trust departments and trust companies are also included in the scope of the report. The information is used in the supervision and examination of trust institutions by the federal supervisory agencies.

**Agencies Involved.** The three federal bank regulatory agencies, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency are the primary supervisors and regulators of the trust activities of banks and trust companies. The Office of Thrift Supervision is the primary supervisor and regulator of the trust activities of savings associations and most Savings Association Insurance Fund (SAIF) insured savings banks. This report is issued under the aegis of the Federal Financial Institutions Examination Council (FFIEC).

**Publication.** The information compiled from these reports will be used in a publication of statistical data on the trust and collective investment fund activities of financial institutions. Each financial institution submitting a report will automatically receive a copy of the publication. Copies of the publication are available to the public upon request.

**Public Availability of Reports.** The entire Annual Report of Trust Assets of each reporting institution may be made publicly available upon request.

**Who Must File**

**Abbreviated Reporting Procedures for Inactive Trust Departments.**

An abbreviated report may be filed by institutions that:

Have been granted trust powers (or consent to exercise trust powers) but do not currently exercise such powers, or exercise such trust powers but have no activity (in the form of assets or accounts) to report.

In such cases, the report should be completed by checking blocks 1 or 2 on the cover page, as appropriate. The signature block should then be completed in full, and the one page mailed to the appropriate address.

Schedules A, B and C.

These schedules are to be completed by each financial institution that has been:

Granted trust powers by the Office of the Comptroller of the Currency or the Office of Thrift Supervision or,

Granted trust powers by State authorities and granted consent to exercise trust powers by the Federal Reserve System or the Federal Deposit Insurance Corporation, or

Granted trust powers by State authorities and is a SAIF-insured state-chartered savings association or a SAIF-insured savings bank, or

Granted trust powers by State authorities and is a savings and loan holding company or a savings and loan service corporation, or

Granted trust powers by State authorities and is a nondeposit trust company which is a subsidiary of a federally-insured bank or savings bank, savings association, or of a bank holding company, savings and loan holding company, or savings and loan service corporation,

and

That exercises the trust powers granted,

and

That has activity (in the form of assets or accounts) to report (see Specific Instructions under What to Omit from Schedule A).

Schedule D.

This schedule is to be completed by an institution that is registered with the Securities and Exchange Commission as an investment advisor under the Investment Advisers Act of 1940 and that is a subsidiary of a financial institution and/or its parent holding company. Institutions without an affiliated investment advisor should not submit a Schedule D form. "Not Applicable" or "no activity" types of reports are not to be filed.

Schedule E.

This Schedule must be completed by each financial institution with more than \$ 100 million in Total Trust Assets as reported on Schedule A (Line 18, Column F). In addition, all non-deposit trust companies, which are subject to filing the Annual Report of Trust Assets (see above), whether or not they report any assets on Schedule A, must also file Schedule E. Institutions which are not required to file Schedule E are encouraged to file it on a voluntary basis.

## Where to mail initial submissions of the completed report

### For Schedules A, B, C and E:

All institutions required to report should send Schedules A, B, C and E to:

If sent by U. S. Postal Service:

Federal Deposit Insurance Corporation  
P.O. Box 3724  
Crofton, Maryland 21114

If sent by overnight delivery (Express Mail, Federal Express, etc.):

Federal Deposit Insurance Corporation  
Trust and Survey Group  
ATTN: Shirley Peterson  
550 - 17th Street, N. W. - Room F-542  
Washington, D. C. 20006

### Schedule D.

Investment advisors affiliated with a financial institution and/or its parent holding company: Federal Financial Institutions Examination Council, 2100 Pennsylvania Avenue, N.W. - Suite 200, Washington, D.C. 20037.

When to File. Completed reports must be received no later than February 18, 1997.

Late Filing Penalties. Institutions which do not file reports, or which return them later than the above due date, may be subject to late filing penalties, as deemed appropriate by the applicable supervisory agency.

### Numbers of Copies to be Filed

#### Cover page and Schedules A, B, C and E:

All institutions filing Schedules A, B, C or E should send one copy to the FDIC (see above - "Where to Mail ...")

#### Schedule D:

For affiliated investment advisors sending Schedule D to the Federal Financial institutions Examination Council: one copy.

### How to File Reports

Paper reports using the printed FFIEC forms are the normal means of submitting reports. Computer-generated facsimiles of Schedules A through E are acceptable if they provide the same information in the same format as the official forms and certain standards are met. In all such cases, however, the cover page, containing the identification label and signature block, must be returned with any facsimiles. For further information, contact the appropriate supervisory agency (see page 4) for your institution.

## When and How to File Corrected Reports

Corrected reports should be filed if (1) an applicable schedule was not filed or (2) a substantive reporting error was made. For further information, contact the appropriate supervisory agency (see page 4) for your institution.

All corrected reports should be clearly labeled as "Corrected" at the top of each page and returned to:

Federal Deposit Insurance Corporation  
Trust and Survey Group  
ATTN: Shirley Peterson  
550 - 17th Street, N. W. - Room F-542  
Washington, D. C. 20429

## Information

For information, contact the appropriate supervisory agency.

Federal Deposit Insurance Corporation

Shirley Peterson, Trust and Survey Group  
Washington, D.C. 800/765-4081 or 202/898-6571

or

John F. Harvey, Senior Capital Markets Specialist (Trust)  
Washington, D.C. 202/898-6762.

Federal Reserve Board

Jose B. Henriques, Jr., Trust/EDP Supervision Section  
Washington, D.C. 202/452-2962.

Office of the Comptroller of the Currency

William L. Granovsky, Compliance Management  
Washington, D.C. 202/874-4447.

Office of Thrift Supervision

Larry A. Clark, Manager, Compliance and Trust Programs  
Washington, D.C. 202/906-5628.

ANNUAL REPORT OF TRUST ASSETS - FFIEC 001  
SPECIFIC INSTRUCTIONS  
SCHEDULE A - ANNUAL REPORT OF TRUST ASSETS

### What to Report

Report in items 1 through 13 assets for those accounts over which the institution exercises investment discretion, as defined below. Include in the amounts reported assets subject to shared investment discretion, and any assets over which the institution exercises investment discretion that are being serviced by an investment advisor. An account should be reported as either discretionary or non-discretionary, based on the predominant responsibility of the reporting institution. A portion of an account's assets should not be reported as discretionary and a portion as non-discretionary.

For purposes of this report, an institution exercises "investment discretion" with respect to an account if it, directly or indirectly:

- is authorized to determine which securities or other property shall be purchased by or for an account, or
- makes recommendations as to what securities or other property shall be purchased or sold by or for an account even though some other person may have responsibility for investment decisions.

Report in items 16 and 17 assets and accounts over which the institution does not exercise investment discretion, including any such accounts that are being serviced by any investment advisor. Examples of such accounts would include custodial safekeeping, investment directed employee benefit accounts and personal trusts or estates, escrow, and agency accounts for which purely ministerial acts are performed.

### Market Values

Each institution should report market value data, except as otherwise provided in these instructions. However, where market values are not readily available, such as in the case of miscellaneous type assets described below, book values (cost or inventory) may be reported. Market values used for this schedule should be as of (a) any one date within the last 60 days of the calendar year, or (b) as of the date of the most recent annual or periodic review of the various accounts.

### Accounting for Collective Investment Fund Assets on Schedule A

All assets of collective investment funds should be reported in lines 1-13, as appropriate, regardless of whether participating accounts are discretionary or non-discretionary, because the institution exercises investment discretion over the management of the collective investment fund. However, to avoid duplication, the value of units of participation in collective investment funds should not be reported as assets of participating accounts.

Non-collective investment fund assets of a discretionary account should be reported in lines 1-13, as appropriate, and the account included in the count in line 15. Non-collective investment fund assets of a non-discretionary account should be reported in line 16, and the account included in the count in line 17.

### Reporting Account Investments on Schedule A When Multi-Institution Collective Investment Funds are Used

Where several institutions in the same affiliated group participate accounts in a collective investment fund maintained by one member of the affiliated group, each participating institution should report its proportionate share of the assets in the appropriate lines and columns on Schedule A.

To compute the proportionate share of assets, multiply the total market value of the various asset groupings in the collective investment fund by the percentage of units of participation held to total units outstanding.

For proper reporting of the multi-institution collective investment fund itself, see Schedule B: Multi-Bank Collective Investment Funds.

#### Rounding of Dollar Amounts.

Dollar figures in this schedule should be rounded to the nearest thousand, and reported in thousands of dollars with the 000's omitted. Numbers of accounts should not be rounded.

#### Multi-institution Account Administration

**Co-Fiduciary Appointments.** If two institutions are both named as co-trustees in the governing trust instrument, and both have investment discretion, both institutions should report the appropriate accounts; the duplicate nature of such reporting is recognized.

**Trust Department Servicing.** If the reporting institution utilizes another financial institution to service its fiduciary accounts, these accounts should continue to be reported. Institutions providing the servicing should not report the accounts or assets that are the subject of the service agreement.

**Trust Service Offices.** Accounts of "trust service offices", as allowed in some states, are to be reported in the trust assets of the fiduciary bank. For example, Bank A provides trust services through a trust service office located in Bank B; the assets of those accounts should be reported by Bank A, not Bank B.

#### What to Omit from Schedule A:

The face value of insurance policies.

Assets of all corporate trust, bond trusteeships, corporate escrow and corporate paying agency accounts, where the institution does, or does not, have investment discretion.

Liabilities of accounts which are included in this schedule (show only gross assets, not net assets).

Negative figures, other than overdrafts in Items 1 through 4.

Assets of custodial IRA and Keogh accounts administered solely by the commercial department.

Units of participation in collective investment funds.

Land Trusts.

All custodial activity for mortgage-backed securities, such as for GNMA or FNMA.

## Types of Accounts - Columnar Headings for Items 1 through 15

### Column A - Employee Benefit Trusts

Include all such accounts (including IRA and Keogh trust accounts) where the institution exercises investment discretion in the capacity of trustee.

Do not include IRA and Keogh custodial accounts administered solely by the commercial department.

"Master Trusts" should not be reported except where the institution has discretionary authority over identifiable assets of the trust, in which case only those assets should be reported.

### Column B - Personal Trusts

Include all testamentary, inter-vivos, and other private trusts, including private foundations where appointed trustee. Where one or more assets of a discretionary trust are held pursuant to a mandatory retention clause or are subject to outside control, such assets may be excluded, but the remainder of the account assets must be reported.

### Column C - Estates

Include accounts where the institution exercises investment discretion and acts in the following or similar capacities: executor, administrator, guardian, or conservator, even though such authority may be shared with others.

### Column D - Employee Benefit Agencies

Accounts where the institution acts as an investment manager (and not as a trustee), as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974 (ERISA) should be reported in this column.

### Column E - All Other Agencies

Include such agency accounts where the institution exercises investment discretion. This includes agency accounts, including private foundations (with the exception of employee benefit agencies reported in column D), where the institution gives investment advice (whether or not the institution has actual custody of the assets), provided the institution is informed on a current basis of transactions in and securities held by such accounts.

Farm management agencies should also be reported in this column. Since the reporting institution is managing the farm, such accounts should be reported as discretionary. Assets to be reported should be based on the institution's management responsibilities. Land and buildings should be reported on Line 12 (Real Estate); equipment, crops and livestock should be reported on Line 13 (Miscellaneous Assets). Other account assets, such as deposits and securities, should also be reported on the appropriate lines of Schedule A.

Mutual funds which are managed or advised by the trust function of the institution should be reported in this column. Where one mutual fund is invested in another mutual fund, both funds should report their total assets. The duplicate nature of such reporting is recognized. Such funds are reported as Discretionary accounts.

### Column F - Total

The sum of Columns A through E.

## Types of Assets - Descriptions for lines 1 through 19

### Item 1 - Non-interest bearing deposits - own

and

### Item 2 - Non-interest bearing deposits - other

Report non-interest bearing deposits in own institution and in other financial institutions. Report non-interest bearing deposits of both principal and income cash; normally these are demand deposits. Balances held in time deposit open accounts, for reserve purposes only, should be included in Item 1.

### Item 3 - Interest bearing deposits - own

and

### Item 4 - Interest bearing deposits - other

Report interest bearing savings and time deposits in own institution and in other financial institutions. To be included are NOW and Super NOW accounts, MMDA accounts, "BIC's" (bank investment contracts) which are insured by the FDIC, and certificates of deposit. Report interest bearing deposits of both principal and income cash.

### NOTE FOR Items 1 - 4 - Deposits of "Own" versus "Affiliated" Institutions

Deposits of affiliated institutions are to be reported in Items 2 and 4. They are not considered to be the same as deposits in the reporting institution itself, which are reported in Items 1 and 3.

### Item 5 - U.S. Government and agency obligations

Report all securities and/or loans (irrespective of maturity) of the U.S. Government and U.S. Government corporations and agencies. Include certificates or other obligations, however named, that represent pass-through participations in pools of real estate loans when the participation instruments: (1) are issued by FHA approved mortgages and guaranteed by the Government National Mortgage Association, or (2) are issued, insured, or guaranteed by a U.S. Government agency or corporation (i.e., the Federal Home Loan Mortgage Corporation's Mortgage Participation Certificates).

Collateralized mortgage obligations (CMO's) and real estate mortgage investment conduits (REMIC's) issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be reported in Item 5.

### Item 6 - State, county, and municipal obligations

Report all short and long-term obligations of State and local governments, and political subdivisions of the United States. Include obligations of U.S. territories and insular possessions and their political subdivisions and all Federal income tax exempt obligations of authorities such as local housing and industrial development authorities that derive their tax-exempt status from relationships with State or local governments. Tax-exempt money market mutual funds should be reported under the money market mutual fund category, Item 7.

### Item 7 - Money market mutual funds

Report all holdings of open-end registered investment companies - mutual funds - which attempt to maintain net asset values at \$1.00 per share. Tax-exempt money market mutual funds should also be reported here. Do not report holdings in deposit accounts, short-term collective investment funds, or master note arrangements.

**Item 8 - Other short-term obligations**

Report all short-term obligations (i.e. original maturities of less than 1 year, or 13 months in the case of the time portion of master notes). In addition to short-term notes, this would include such money market instruments as master note arrangements, commercial paper, bankers acceptances, securities repurchase agreements, and other short-term liquidity investments.

**Item 9 - Other notes and bonds**

Report all other bonds, notes (except personal notes) and debentures including insurance annuity contracts, "GIC's" (guaranteed investment contracts), "BIC's" (bank investment contracts) which are not insured by the FDIC, and obligations of foreign governments and corporations.

Include also certificates or other obligations, however named, representing pass-through participations in pools of real estate loans when the participation instruments are issued by financial institutions and guaranteed in whole or in part by private guarantors.

Short-term obligations should be reported under Item 8 - Other short-term obligations. Refer to that caption for a definition of "short-term" and examples of typical short-term instruments.

Collateralized mortgage obligations (CMO's) and real estate mortgage investment conduits (REMIC's) which are not issued by the Federal National Mortgage Association (FNMA) ("Fannie Mae") and the Federal Home Loan Mortgage Corporation (FHLMC) ("Freddie Mac") should be reported in Item 9, even if the collateral consists of GNMA ("Ginnie Mae") or FNMA pass-throughs or FHLMC participation certificates.

**Item 10 - Common and preferred stocks**

Report all common and preferred equity holdings, including warrants. Include common stocks of savings associations and savings banks. Include both domestic and foreign equities.

Investments in limited partnerships which are solely or primarily invested in assets other than real estate should be reported under Item 10.

Shares of all open-end mutual funds and closed-end investment companies, other than money market mutual funds, should also be reported under this caption.

Where an institution acts as investment advisor or manager to a mutual fund, and individual accounts are also invested in the fund, dual reporting is appropriate. The investments of the mutual fund should be reported under Column E and on the appropriate line(s) in item(s) 1 through 13. The shares of the mutual fund held by individual discretionary accounts should be reported in the appropriate column(s) under Items 7 or 10. The shares of the mutual fund held by individual non-discretionary accounts should be reported in the appropriate column(s) of Item 16. No subtraction or netting of assets is required. The duplicate nature of such reporting is recognized.

All unit investment trusts, regardless of the securities they are invested in (stocks, corporate bonds, municipal bonds, etc.), are also reported under this caption.

**Item 11 - Real estate mortgages**

Report real estate mortgages, real estate contracts, land trust certificates, and ground rents. These assets may be reported at unpaid balance if that figure is a fair approximation of market value.

**Item 12 - Real estate**

Report real estate, mineral interests, royalty interests, leaseholds, and other similar assets. Where current market values of real estate are not readily ascertainable, estimates based upon appraisals within the past 3 years may be used for this report. It is permissible to estimate market values of mineral interests of whatever type by capitalizing annual income five times, when appropriate.

Land and buildings associated with farm management accounts should be reported in this Item.

Investments in limited partnerships which are solely or primarily invested in real estate should be reported under Item 12.

**Item 13 - Miscellaneous Assets**

Personal notes, tangible personal property, and other miscellaneous assets not reported in any of the other categories. Crops, equipment and livestock associated with farm management accounts should be reported in this item.

DO NOT REPORT ACCOUNT LIABILITIES HERE  
OR ANYWHERE ELSE IN THIS REPORT.

**Item 14 - Total discretionary assets**

The sums of all asset categories reported under each type of account, e.g., the total of Items 1 through 13 in Column A equal Item 14 of Column A.

**Item 15 - Total number of discretionary accounts**

Report the number of discretionary accounts administered in each of the specified columns.

**Item 16 - Total non-discretionary assets.**

Report the total dollar value (market value or book value) of non-discretionary assets held in each of the specified columns.

Only non-discretionary assets of fiduciary-type accounts are to be reported on Schedule A. Non-fiduciary activities, such as correspondent bank securities safekeeping, non-fiduciary institutional securities safekeeping (for insurance companies, mutual funds, brokerage activities), etc., should not be reported, even if they are, organizationally, performed within the trust function.

Report assets of agency accounts, including custody, master custody, safekeeping, and escrow accounts in Column E, except for assets of non-discretionary employee benefit agencies which are reported in Column D.

Note: Assets of corporate escrow accounts are not reported at all; but the number of corporate escrow accounts is reported in Schedule C, Item 6 - All Other Corporate Agencies.

Assets of self-directed IRA and 401(k) accounts (and similar types of employee benefit accounts) where the participants direct investments are considered non-discretionary accounts, and are reported on Line 16 under either Column A (for trust accounts) or Column D (for agency and custody accounts), as appropriate. An account is considered non-discretionary if the participant directs the investments -- even if the trust department has discretion to select the investment choices available to the participant.

**Item 17 - Total number of non-discretionary accounts**

Report the total number of non-discretionary accounts that are administered in each of the specified columns. Report agency accounts, including custody, master custody, safekeeping, and escrow accounts in Column E, except for non-discretionary employee benefit agencies which are reported in Column D.

Item 18 - Total assets

The sums of line Items 14 and 16 in Columns A through E.

Item 19 - Total number of accounts

The sums of line Items 15 and 17 in Columns A through E.

## Explanatory Notes on Asset Reporting

### Securities lending:

Where assets are otherwise to be reported they should continue to be reported even though loaned to a third party. Collateral received under a securities lending arrangement should also be reported as an asset of the lending account. The duplicate nature of the reporting is acknowledged.

ANNUAL REPORT OF TRUST ASSETS - FORM FFIEC 001  
SPECIFIC INSTRUCTIONS  
SCHEDULE B - COLLECTIVE INVESTMENT FUNDS

Scope. List each collective investment fund and common trust fund operated by the reporting institution.

What is a Collective Investment Fund? A collective investment fund is a common trust fund or a pooled investment fund operated only by a bank, trust company, or savings association. It is similar to a mutual fund, but is not available to the public - only to trust accounts administered by the financial institution. It is a means of diversifying investments and simplifying administration of individual accounts. A collective investment fund must be operated in accordance with a formal written plan, and must qualify for tax exemption under either Section 584 of the Internal Revenue Code or Revenue Ruling 81-100. In addition, it usually must be operated in conformity with OCC Regulation 9.18 or equivalent State guidelines.

Who Must Report. This schedule must be completed by each institution administering one or more collective investment funds in a fiduciary capacity. For purposes of this report, the term "collective investment funds" includes common trust funds and pooled or group investment funds. This schedule is to be completed only by those institutions that operate their own funds. Schedule A of this Annual Report must also be completed in conjunction with Schedule B.

#### What to Omit From This Schedule

Money market or other mutual funds, whether managed/advised by the reporting institution or operated outside the reporting institution.

Variable amount ("master") notes

Poolings of deposits in order to obtain higher interest rates

Listing of individual trust accounts, IRA and Keogh accounts, or their assets.

Multi-Bank Collective Investment Funds. Multi-bank collective investment funds, which may be known as a Bank Fiduciary Fund, should be reported only by the bank which is trustee of the fund. The amounts reported should include the fiduciary assets of affiliated or participating banks which utilize the funds. For example, Bank A operates a collective investment fund which is used by Bank A, Bank X, and Bank Z; only Bank A should complete this schedule.

Investments in Other Collective Investment Funds. If one collective investment fund invest in another collective investment fund at the same institution, both funds should report the investment. The duplicate nature of such reporting is recognized. In such cases, the second CIF should consider the first CIF as one "participating account".

Valuation Dates. For each collective investment fund listed, information should be stated as of the fund's last valuation date in the last calendar quarter of the year

#### What to Report

##### Page Numbering/Additional Pages

Insert, in the box located in the upper right-hand corner of Schedule B, the number of Schedule B pages being completed. Even if only one page is being used, enter "Page 1 of 1". This is extremely important for computer processing.

If an institution operates more than 12 collective investment funds, a photocopy of the schedule should be used to list the additional funds. The appropriate page number should be inserted in the upper right-hand corner.

Name of Fund. Each institution should state the name of each collective investment fund under administration. The full legal name of the fund is not necessary. In the interest of brevity, do not include the name of the financial

## SCHEDULE B INSTRUCTIONS (Continued)

institution in the name of the fund. Only 50 characters of space are available for each fund's name.

In some instances, several funds may be established under a single plan document. In these situations, each of the sub-funds established under the single trust document should be separately reported.

**Classification.** Each fund should be identified by a two-digit code number (from those shown on the schedule) that best identifies the predominant type of account participating in the fund. The classification categories are personal trust [those operating under OCC Regulation 9.18(a)(1)], employee benefit, Keogh (HR-10), charitable trust, and other. Use only one two-digit code number for each collective investment fund.

**Type of Fund.** Each fund should be identified by a two-digit code number (from those shown on the schedule) that best identifies the predominant investment purpose of the fund as stated in the plan document. For example, if the investment purpose of the fund is to be met by investing in equity securities, and the fund is presently investing in money market instruments, the primary investment classification of the fund should be defined as Equity, Code 01. Use only one two-digit code number for each collective investment fund.

**Total Assets.** The total assets should be shown at market value, as of the last valuation date in the calendar year. Report all assets of each fund, not merely those of participating discretionary accounts. The amount shown should be determined after admissions and withdrawals are accomplished on the valuation date. Also see "Valuation Dates", above. Dollar amounts of total assets are to be rounded to the nearest thousand dollars with the 000's omitted. Numbers of participating accounts should not be rounded.

**Number of Participating Accounts.** The number of participating accounts in each fund should be stated for the same valuation date as the total assets of the funds was determined (see "Valuation Dates", above). Report all participating accounts of each fund, not just participating discretionary accounts. The number of participating accounts should be determined after admissions and withdrawals.

**Contact Person.** At the bottom of this schedule, please indicate the name and telephone number of the person to contact if a question arises about information on this schedule.

ANNUAL REPORT OF TRUST ASSETS - FORM FFIEC 001  
SPECIFIC INSTRUCTIONS  
SCHEDULE C - CORPORATE TRUST

Scope. Report the type and the volume of corporate trust and agency business conducted by the reporting financial institution.

Care should be taken so that each issue is to be reported on no more than one line. In deciding which line to report the issue on, only the primary appointment should be reported. For example, when a bank serves as trustee of a bond issue, it normally also performs the functions of registrar (transfer agent) and interest/principal paying agent; in such a case, only the primary bond trusteeship appointment should be reported.

#### Assets of Corporate Trust Accounts

Assets (cash, deposits, investments) held for corporate trust purposes are not reported on Schedule C or anywhere else in the Annual Report of Trust Assets. Only the outstanding amount of bond issues is reported.

#### Multi-Bank Co-Fiduciary Appointments

If two institutions are both co-trustees, both institutions should report the appropriate issue(s); the duplicate nature of such reporting is recognized.

#### What to Report

##### Item 1 - Corporate Securities Trusteeship

Report the total principal amount (par value) of outstanding bonds, as well as the total number of corporate bond issues. Information on both bearer and registered issues should be reported.

In addition to bonds, other debt securities issues for which the institution acts in a capacity similar to trustee (such as unit investment trusts) should be included under this caption.

For purposes of this report, where the amount outstanding of an issue is denominated in a foreign currency, the amount outstanding should be converted into U.S. dollars using the December 31st exchange rate.

As a general rule, corporate securities with different CUSIP numbers should be considered as separate issues for reporting purposes. However, serial bond issues (securities issued under a single indenture with various maturity dates scheduled at regular intervals until the entire issue is retired) should be considered as a single issue for reporting purposes.

Issues which have been called should not be included on Schedule C, even when there are unclaimed bonds for which funds are being held.

##### Item 2 - Tax-Exempt and Other Municipal Securities Trusteeships

Report the total principal amount (par value) of outstanding tax-exempt and other municipal bonds, as well as the total number of tax-exempt and other municipal issues. Information on both bearer and registered issues should be reported.

In addition to bonds, other debt securities issues for which the institution acts in a capacity similar to trustee (such as unit investment trusts) should be included under this caption.

For purposes of this report, where the amount outstanding of an issue is denominated in a foreign currency, the amount outstanding should be converted into U.S. dollars using the December 31st exchange rate.

As a general rule, tax-exempt and other municipal securities with different CUSIP numbers should be considered as separate issues for reporting purposes. However, serial bond issues (securities issued under a single indenture with various maturity dates scheduled at regular intervals until the entire issue is retired) should be considered as

## SCHEDULE C INSTRUCTIONS (Continued)

a single issue for reporting purposes.

Issues which have been called should not be included on Schedule C, even when there are unclaimed bonds for which funds are being held.

### Item 3 - Stock or Bond Transfer Agent or Registrar

Report the total number of equity and debt issues for which the institution acts as transfer agent or registrar. Also include closed-end mutual funds in this Item. Those issues for which the institution acts in the dual capacity of transfer agent and registrar, or co-transfer agent and co-registrar, should be reported as a single issue.

### Item 4 - Mutual Fund Transfer Agent

Report the total number of open-end mutual funds for which the institution is named as transfer agent. Each portfolio for which distinct shares are transferred should be reported as a separate mutual fund. Closed-end mutual funds are reported in Item 3, Stock or Bond Transfer Agent or Registrar.

### Item 5 - Separate Dividend and Interest/Coupon Paying Agencies

Report the total number of stock or bond issues (in either bearer or registered form) for which the institution disburses interest or dividend payments. Such capacities are variously referred to as fiscal or dividend disbursing agencies.

### Item 6 - All Other Corporate Agencies

Report the total number of issues of any type of corporate appointments, such as corporate escrow accounts, not falling into categories described in Items 3 - 5.

### Item 7 - Totals

Report the aggregate number of issues reported in Items 1 through 6 and the aggregate dollar amount reported in Items 1 and 2.

ANNUAL REPORT OF TRUST ASSETS - FORM FFIEC 001  
SPECIFIC INSTRUCTIONS  
SCHEDULE D - AFFILIATED INVESTMENT ADVISOR

SCOPE

This schedule should be completed by each registered investment advisor subsidiary or affiliate that furnishes advice with respect to the trust assets of one or more trust departments of affiliated institution. Please duplicate this form as necessary.

WHO MUST REPORT

Schedule D must be completed by investment advisors only when all the of following conditions have been met:

- (1) An affiliate relationship exists between the financial institution filing the Annual Report of Trust Assets and the investment advisor, and
- (2) The affiliated investment advisor provides investment services (advice or management) to fiduciary/trust accounts of the financial institution mentioned in 1 above, and
- (3) The affiliated investment advisor is registered with the Securities and Exchange Commission.

WHO IS AN AFFILIATE

For purposes of Schedule D, an "affiliate" relationship exists when any of the following conditions have been met:

- (1) The investment advisor is a subsidiary of the financial institution, or of its parent or another affiliate. The investment advisor is a subsidiary when, directly or indirectly:
  - (a) 50 percent or more of its stock is owned by one of the above organization, or
  - (b) it is controlled by one of the above organizations, through election of its directors, trustees, or other persons exercising similar functions.
- (2) The investment advisor is controlled by the same shareholders as the financial institution, its parent, or another affiliate. The "common shareholder" condition exists when the investment advisor is owned or controlled, directly or indirectly, by:
  - (a) The majority shareholders of the financial institution, its parent, or another affiliate, or shareholders who own or control more than 50 percent of the shares voted for directors, trustees, or other persons exercising similar functions, or
  - (b) Trustees for the benefit of shareholders of the financial institution, its parent, or another affiliate.
- (3) A majority of the investment advisor's directors, trustees, or other persons exercising similar functions are also directors of the financial institution, its parent, or another affiliate.

## SCHEDULE D INSTRUCTIONS (Continued)

### WHERE TO FILE

The completed Schedule should be filed with:

Federal Financial Institutions Examination Council  
2100 Pennsylvania Avenue, N.W. - Suite 200  
Washington, D.C. 20037

### WHAT TO REPORT

The total market value of assets advised by the registered investment advisor should be reported. These assets should be reported in two overall categories: (I) those assets of affiliated trust institutions for which advice is provided, and (II) all other assets for which advice is provided. If advice is provided for more than one affiliated institution, the assets of all such affiliates should be totaled and reported in the aggregate on one Schedule D.

Items 1 and 2. Report the name and location of the registered investment advisor.

Items 3 and 4. Report the name and location of the investment advisor's parent organization.

Items 5 and 6. Report the name and location of each affiliate for which advice is provided by the investment advisor.

### CATEGORY I - ASSETS ADVISED FOR AFFILIATED INSTITUTIONS - Items 7 and 8

#### Column A. Personal Trust Accounts:

Report the total assets and number of personal trust accounts advised. Include all testamentary, inter-vivos, and other probate trust. (If categories of accounts are not available, include all assets advised under "All Other Accounts" - Column C.)

#### Column B. Employee Benefit Accounts:

Report the total assets and number of employee benefit trust accounts advised, including IRA and Keogh accounts. (If categories of accounts are not available, include all assets advised under "All Other Accounts" - Column C.)

#### Column C. All Other Accounts:

Report the total assets and number of any other accounts, for example, escrow, or managing agency accounts.

### CATEGORY II - ALL OTHER ASSETS ADVISED - Items 7 and 8

#### Column D. All Accounts:

Report the total assets and number of accounts advised for which an affiliated bank is not named in a fiduciary capacity.

#### Column E. All Accounts:

Report the total assets and number of accounts in each of the four account categories (Columns A through D).

ANNUAL REPORT OF TRUST ASSETS - FORM FFIEC 001  
SPECIFIC INSTRUCTIONS  
SCHEDULE E - FIDUCIARY INCOME STATEMENT

The entire Schedule E is new for 1996.  
Only certain institutions need to complete Schedule E.  
Please read instructions carefully.

**Who Must Report:** This Schedule must be completed by each financial institution with more than \$ 100 million in Total Trust Assets as reported on Schedule A (Line 18, Column F). In addition, all non-deposit trust companies, whether or not they report any assets on Schedule A, must also file Schedule E. Institutions which are not required to file Schedule E are encouraged to file it on a voluntary basis.

**Public Availability of Schedule E:** The information on Schedule E is confidential and will not be publicly available. The aggregate information will be included in the annual FFIEC publication, Trust Assets of Financial Institutions.

**Instructions:** Institutions filing Schedule E must complete all portions of the Schedule. Enter a zero on any line item that does not apply to your institution.

## 1. GROSS FEES, COMMISSIONS AND OTHER FIDUCIARY INCOME

### 1(a through e) Trust and Agency Accounts

Gross fees, commissions and other fiduciary income data is to be reported by line of business. Please refer to the instructions for Schedules A and C for guidance in defining these lines of business. For employee benefit trust accounts, see Schedule A, column A; for employee benefit agency accounts, see Schedule A, column D; for personal trust and estate accounts, see Schedule A, columns B and C; for other agency accounts, see Schedule A, column E; and for corporate trust and agency accounts, see Schedule C.

Fees received for IRA, Keogh Plan or other accounts that are not administered by the trust department should be excluded from this Schedule. If these accounts require the bank to have trust powers, then their fees should be reported on this Schedule.

### 1(f) All Other Fiduciary Income

Report all other direct income derived from other fiduciary sources not included in any of the above categories (e.g., 12b-1 fees and income from providing fiduciary services under agreement with another institution). Include all internal allocations of income to the trust function (such as transfer agent or pension plan administration credits), except for credits for deposits held in own or affiliated institutions, which are to be reported on line 5.

### 1(g) Total Fiduciary Income

The total of lines 1(a) through 1(f).

(It should be noted that banks with more than \$100 million in commercial bank assets are required to itemize "Income from fiduciary activities" in the quarterly FFIEC Report of Condition and Income ("Call Report") on line 5(a) of Schedule RI. Instructions for fiduciary income to be reported on line 5(a) of Call Report Schedule RI differ from those for line 1(g) of this Schedule with respect to allocated income. Consequently, banks should be aware that the amounts reported in these two items will differ by the amount of such allocated income.)

## SCHEDULE E INSTRUCTIONS (Continued)

### 2. EXPENSES

#### 2(a) Salaries and Employee Benefits

Include salaries, bonuses, hourly wages, overtime pay, and incentive pay for officers and employees of the trust department. If officers or employees spend only a portion of their time in the trust department, allocate that proportional share of their salaries and employee benefits. Expenses associated with employee benefit plans (pension, profit-sharing, 401(k), ESOP, etc.), health and life insurance, Social Security and unemployment taxes, tuition reimbursement, and all other so-called fringe benefits, should be included on this line.

#### (b) Other Direct Expense

In general, direct expenses are immediately identifiable as costs expended for and under the control of the trust function. These include expenses related to the use of trust premises, furniture, fixtures, and equipment, as well as depreciation/amortization, ordinary repairs and maintenance, service or maintenance contracts, utilities, lease or rental payments, insurance coverage, and real estate and other property taxes if they are directly chargeable to the trust function.

#### 2(c) Allocated Indirect Expense

Allocated indirect expenses are those charged to the trust function from other departments of the institution as reflected in the institution's internal management accounting system. These include any allocation for the trust function's proportionate share of corporate expenses that cannot be directly charged to particular departments or functions. If the institution's internal accounting system is not able to provide this information, the institution may use a reasonable alternate method to estimate indirect expenses.

Indirect expenses include audit and examination fees, marketing, charitable contributions, customer parking, holding company overhead, and, in many cases, functions such as personnel, corporate planning, and corporate financial staff. Other indirect expenses include the trust function's proportionate share of building rent or depreciation, utilities, real estate taxes, and insurance.

If no direct expense is shown for occupancy on line 2(b) and the institution's internal accounting system does not provide an allocated amount, an allocated occupancy expense based on proportionate floor space used by the trust function or some other reasonable alternate method should be shown on line 2(c).

#### 2(d) Total Expense

The total of lines 2(a) through 2(c).

### 3. SETTLEMENTS, SURCHARGES & OTHER LOSSES

See the instructions for line 7 for information about the reporting of settlements, surcharges and other losses.

#### 3(a) Gross Settlements, Surcharges & Other Losses

Report the total losses prior to any adjustments for recoveries. If the amount shown on this line is \$100,000 or more, a breakdown of this amount should be shown on line 7 below. The amount shown on this line should then agree to the total of the details shown in that box.

## SCHEDULE E INSTRUCTIONS (Continued)

### 3(b) Recoveries to Reported Losses

Show all recoveries received on reported losses, including recoveries on prior years' losses.

### 3(c) Net Settlements, Surcharges & Losses

Line 3(a) less 3(b).

### 4. NET OPERATING INCOME (Loss)

Line 1(g) minus lines 2(d) and 3. If the result is less than zero, the figure should be shown in parentheses.

### 5. CREDIT FOR OWN-INSTITUTION DEPOSITS

Uninvested cash belonging to fiduciary accounts is available to the commercial banking side of the institution for investment, trust functions are often given credit for the use of these monies. When this credit is given to the trust department or trust company as part of the bank's profit tracking system, it should be reported on line 5. Do not include actual interest earned on fiduciary funds on deposit, as this income would normally belong to the fiduciary account.

### 6. NET TRUST INCOME (LOSS)

Report the total amount of trust income or loss, prior to any income taxes, experienced by the trust function for the full year. The number for this line is the result of adding line 5 to the sub-total shown on line 4. If the total on line 6 is less than zero, the resulting figure should be shown in parentheses.

### 7. SETTLEMENTS, SURCHARGES & OTHER LOSSES

This box should only be completed where total settlements, surcharges and other losses for the reporting year on line 3(a) are \$100,000 or more. If they are, report individual gross losses of \$10,000 or more on lines (a) through (j). Report individual gross losses of less than \$10,000 on line (j). These amounts should not be shown net of any recoveries or insurance payments. Legal expenses should be included on line 2(b) or 2(c). Do not include contingent liabilities related to outstanding litigation.

Report settlements, surcharges, and other losses arising from errors, misfeasance or malfeasance according to the type of account and capacity. The sum of lines 7(a) through 7(j) should equal the total shown on line 3(a) above.

### MEMO ITEM TO BE COMPLETED BY NON-DEPOSIT TRUST COMPANIES ONLY

### 8. NON-FIDUCIARY INCOME

Stand alone or non-deposit trust companies, whose activities are limited to providing fiduciary services, may have income not directly attributable to the furnishing of fiduciary services. This income should be reported on this line 8 as a memo figure and should not be included in the data shown on lines 1 through 6.